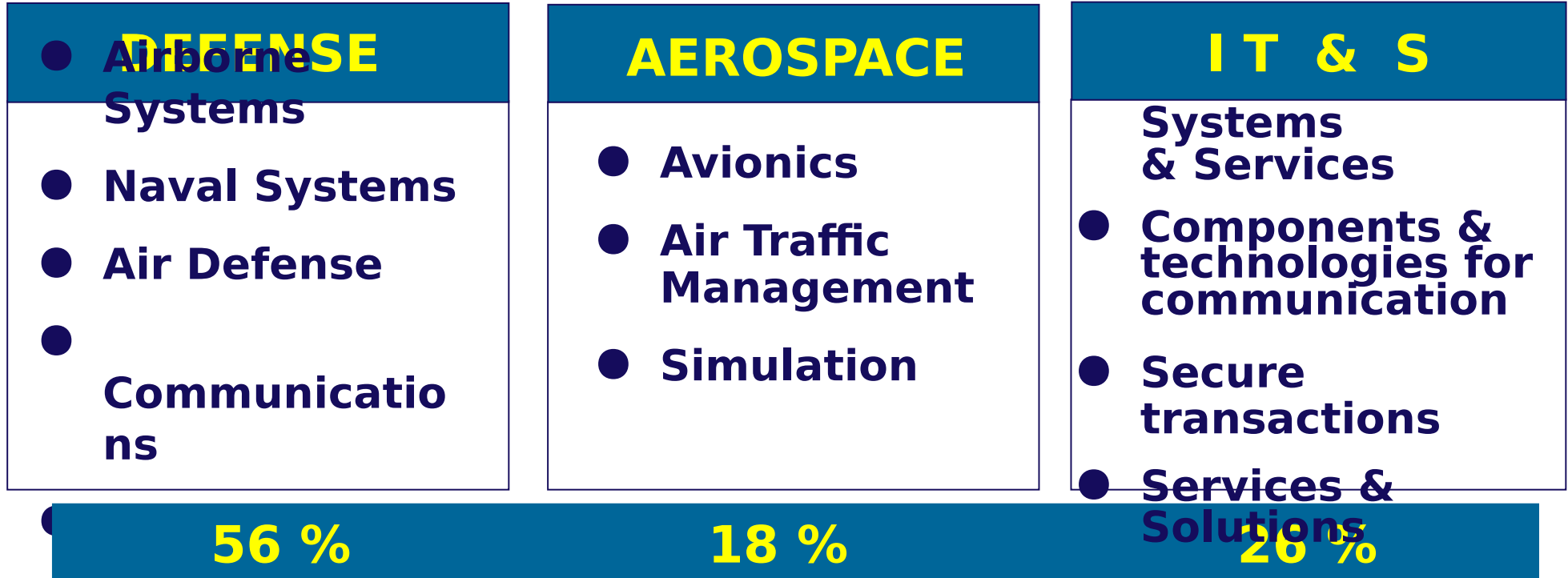


« MULTINATIONAL COOPERATION »

François GAYET, *Senior Vice President Defence
France*

THALES

A Leading Electronics and Systems Company



Revenues : 10.3 billion euros (2001)

Employees : 66,700

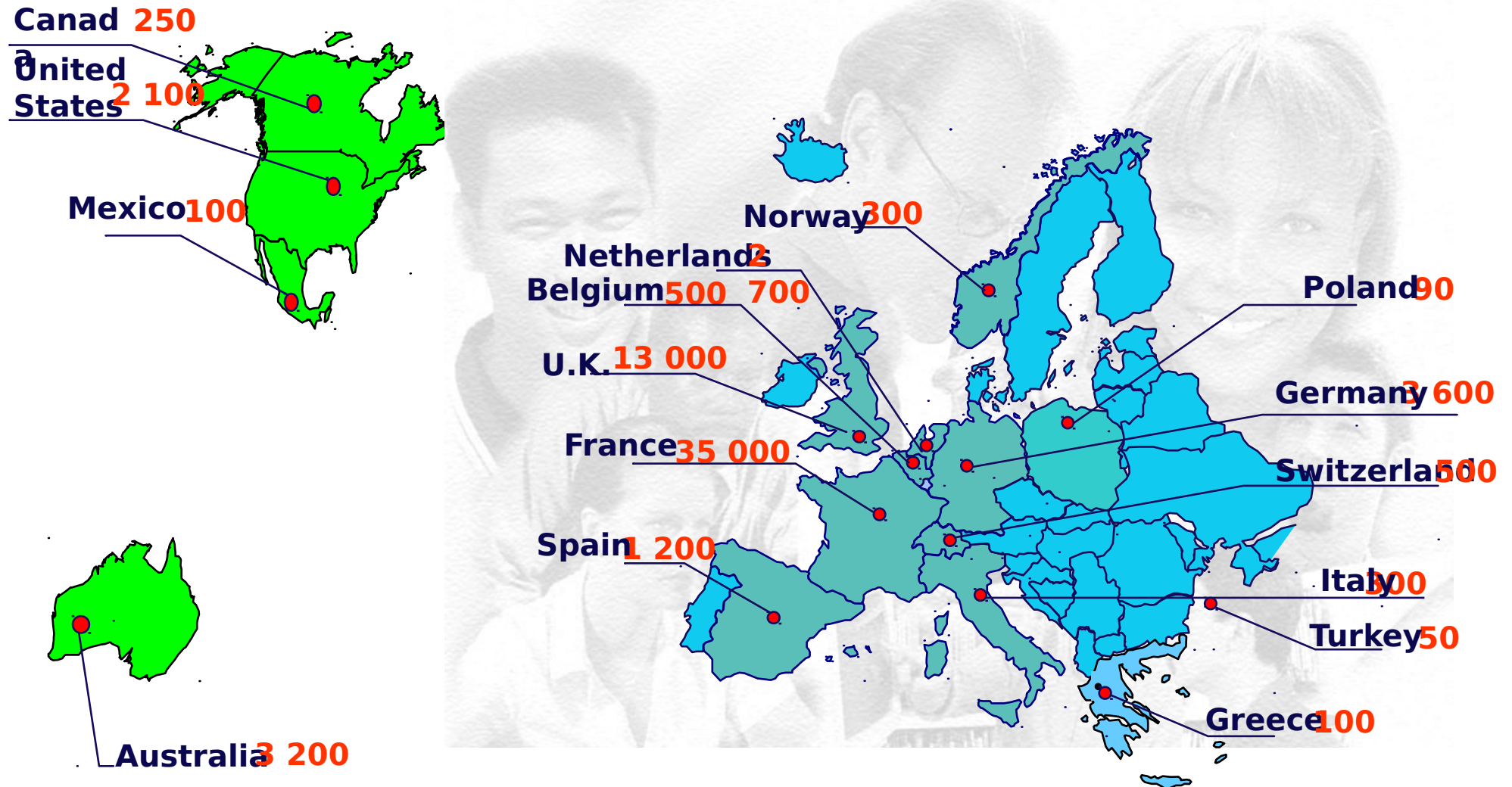
THALES STRATEGY

- 1 - Bring growth and profitability
 - 2 - Be among world leaders in each business area
 - 3 - Maximize the use of dual technologies
 - 4 - Multiplicity of customers
- 

**Multiplicity of
Multidomestic**

**THALES HAS INDUSTRIAL PRESENCE IN MORE THAN
30 COUNTRIES, MOSTLY NATO**

THALES' MULTIDOMESTIC APPROACH IN NATO COUNTRIES



THALES HAS A STRONG EXPERIENCE IN COOPERATION AND PARTNERSHIPS (1)

- **Government-to-government cooperative programs.**
- **Industry-to-industry partnerships for national and/or export customers.**
- **Joint-Venture.**



GOVERNMENT TO GOVERNMENT COOPERATIVE PROGRAMS

European Programs



A 400 M

- Eurofighter *(UK/IT/GE/SP)*
- A 400 M *(FR/UK/GE/SP/LUX
BEL/TUR)*
- NH 90 *(FR/IT/GE/NL/POR)*
- TIGER *(FR/GE)*
- HORIZON *(FR/IT)*
- LC 124 *(NL/GE)*
- FSAF *(FR/IT)*
- PAAMS *(FR/IT/UK)*
- COBRA *(FR/UK/GE)*
- AGS *(FR/GE/SP/IT/NL)*
- METEOR *(FR/IT/UK/GE/SP/SW)*
- MU 90 *(FR/IT)*

GOVERNMENT TO GOVERNMENT COOPERATIVE PROGRAMS

NATO

- **HAWK PIP 3**
- **Sea Sparrow**
- **ACCS**
- **MIDS**



Sea Sparrow

INDUSTRIAL COOPERATION / PARTNERSHIPS (1)

European

- **Anti-air Electromagnetic seeker (THALES/AMS)**
- **Airborne EW systems (THALES/Elettronica)**

Transatlantic

- **ALFS (dipping sonar)**
- **Havequick / Saturn**

INDUSTRIAL COOPERATION / PARTNERSHIPS (2)

Starblazer : An example of a successful industry-to-industry partnership

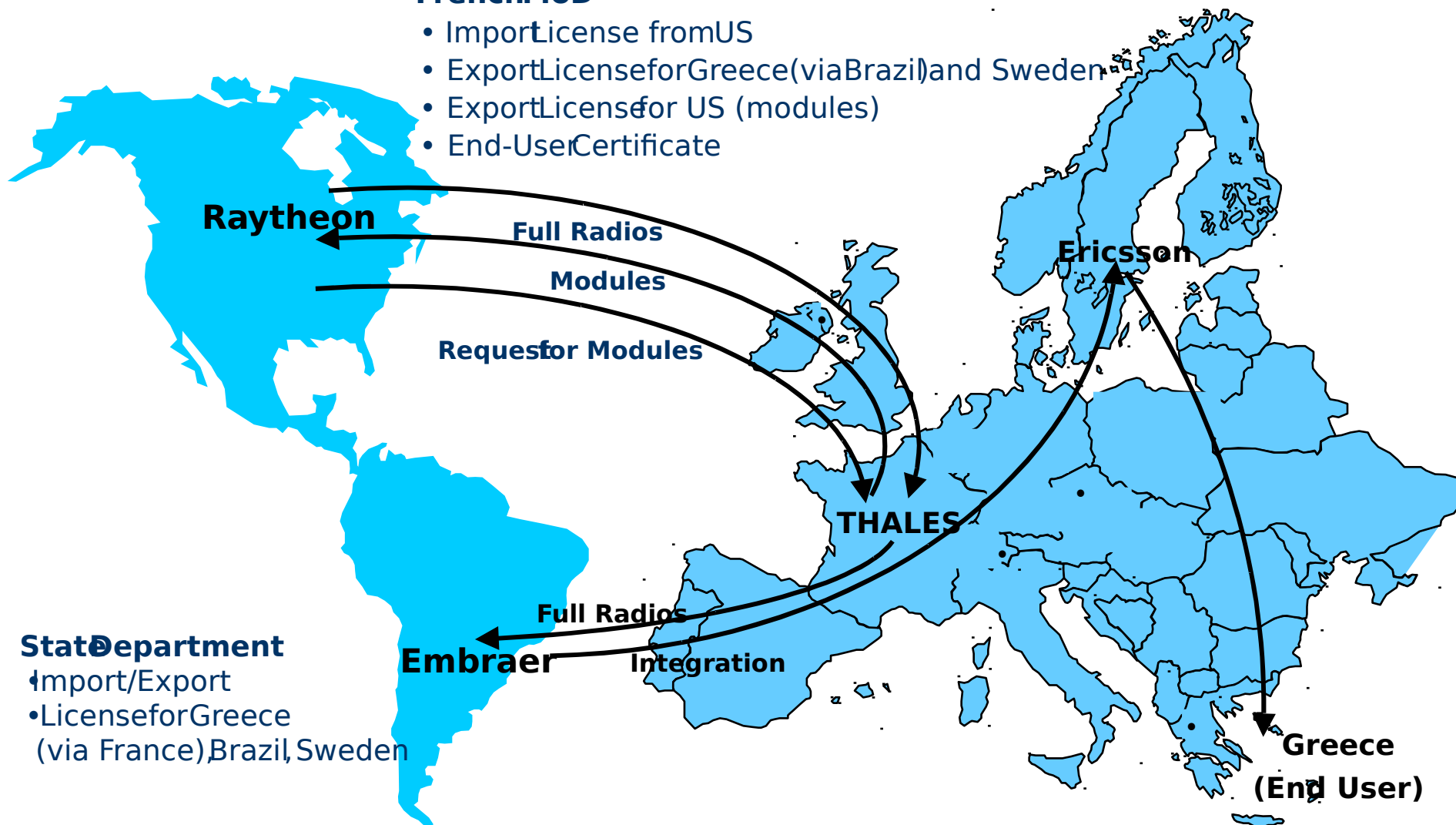
- **THALES and Raytheon formed an exclusive alliance in 1996**
 - **Jointly build and market a new line of UHF/VHF ECCM radios**
More than 1000 radios delivered to 8 countries
- **Raytheon**
 - Integrator
 - Manpack & airborne radios
 - HAVE QUICK II except Saturn and Synthesizer
- **THALES**
 - Naval ground radios
 - Saturn/HAVE QUICK II (NATO), ECCM (non-NATO), and synthesizer (NATO/non-NATO)



Example of export license requirements for Greek AEW

FrenchMoD

- Import License from US
- Export License for Greece (via Brazil) and Sweden
- Export License for US (modules)
- End-Use Certificate



JOINT VENTURE

THALES-RAYTHEON System :

A breakthrough in Transatlantic Cooperation

- **Joint-Venture Company owned 50/50 with legal entities in US and in France.**
- **Is in charge of the worldwide business in the Air Defense Ground Environment (Radars + C3).**
- **Is fully compliant with US and French regulations in transfer of technology, security and export control.**

A 600 M.USD Transatlantic Company

EUROPEAN COOPERATION

Traditional co-operations have shown their limits during the 90's

Government to government cooperations

- **Too structured - too rigid - too many constraints :**
 - ✓ **Industrial « just return »**
 - ✓ **Inadequate industrial organizations**
 - ✓ **Addition of national needs**
- **Cost overruns and delays - inadequate equipments**
 - > **Many failures :**
 - ❖ **Trimilsatcom**
 - ❖ **VBCI / MRAV / GTK**
 - ❖ **HORIZON**
 - ❖ **TRIGAT - MR**

EUROPEAN COOPERATION

Recent major evolutions
in European Defence policy and Armaments co-operation

- **European industry consolidation and LOI initiative**
- **OCCAR**
- **Progress towards establishing a European Defence**

EUROPEAN COOPERATION

➤ Taking advantage of industry consolidation and LOI initiative

✓ Single Prime Contractor :

- ❖ Airbus on A400M
- ❖ MBDA on Scalp / EG-Storm Shadow or METEOR

✓ Multidomestic approach, to foster the choice of common equipments :

- ❖ FELIN / FIST / IDZ / Land Warrior programs
- ❖ Gunner's sight system for VBCI / MRAV / BGTI

✓ Optimization of industry organisation, thanks to more flexible government to government cooperations.

- ❖ LC 124 frigates (GE/NL)
- ❖ Multi-mission frigates



EUROPEAN COOPERATION

Possible new ways of cooperation

European Frigates Programs

	Qté	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
France FMM FASM	8				▲	▲	▲	▲	▲	▲	▲	▲	
France FMM FAVT	9							▲	▲	▲	▲	▲	▲▲
U.K. FSC	20									▲	▲▲	▲▲	▲▲
ALLEM. F 125	8								▲	▲	▲	▲	▲
BELGIQUE	2/3				▲ (?)		▲		▲		▲		
DANEM. S3	6		▲	▲				▲		▲			
ESPAGNE F 110	5					▲		▲	▲	▲	▲		
GRECE	2						▲	▲					
GRECE	4				▲	▲	▲	▲					
ITALIE FNG	10				▲	▲	▲	▲	▲▲	▲	▲	▲▲	
PAYS BAS	4						▲		▲		▲		▲
TURQUIE	4								▲		▲	▲	▲
PORTUGAL	3											▲	▲

EUROPEAN COOPERATION

Strengthening OCCAR's role

- **Extend OCCAR's field of activities to demonstrators realization**
- **OCCAR should have a major role to play on interoperability issues and on building federations of existing national systems, with a view to build up systems of systems available for EU.**

EUROPEAN COOPERATION

Taking advantage of recent progress in establishing a European Defence

➤ European Capability Action Plan

- ✓ Common analysis to harmonize operational needs at European level
- ✓ This initiative should enable to launch European co-operative programs :
 - ❖ Fill the identified European military capability shortfalls
 - ❖ Give EU common infrastructures

➤ Looking for capability sharing amongst nations

- ✓ Cross-exploitation of nationally developed systems :
 - ❖ Spatial observation (*Helios 2 / SAR Lupe / Cosmo Skymed / Pleiades*)
 - ❖ Air ground surveillance ?
 - ❖ Maritime patrol aircrafts ?

➡ Industry ready to contribute to those reflections.

TRANSATLANTIC COOPERATION

Building true and balanced transatlantic co-operation

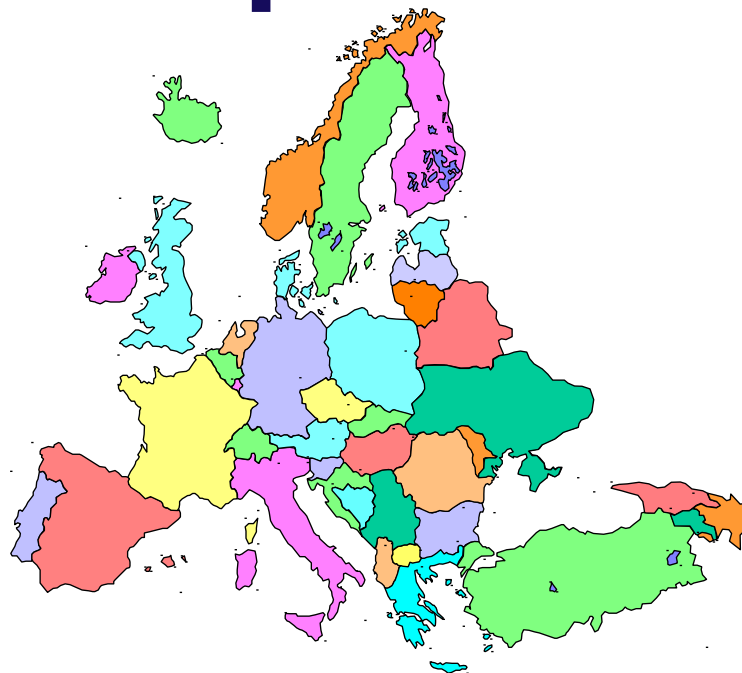
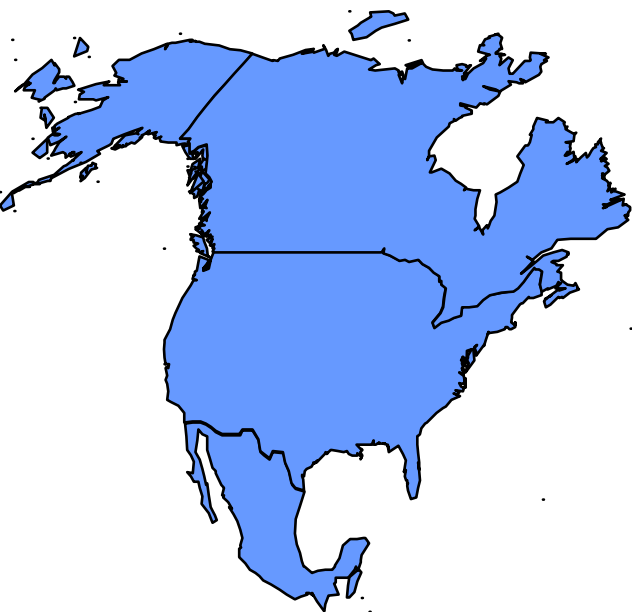
Today

- **very limited number of new NATO/transatlantic cooperation.**
- **Restriction of transfer of technology and cumbersome export rules among allies prevent a more efficient industry-to-industry cooperation (Ex : AGS).**
- **Interoperability is not yet perceived as a real must.**

The way ahead

- **No fortress US / fortress Europe**
- **Industry needs a specific framework for transatlantic cooperation :**
 - ✓ **Harmonization of military requirements**
 - ✓ **Unimpeded flow of information / technology (umbrella TAA's)**
 - ✓ **Reciprocal access to markets**

Multinational Cooperation



is a must